

Administrative Procedure



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CELLULAR TELEPHONE POLICY

Purpose:

To identify the process for support and usage of cellular telephones for Alachua County business.

Policy:

County Cellular telephones must be used properly and efficiently, for County business to ensure cost-effectiveness.

Procedure:

Cell Phones and Other Wireless Communication Devices

1. **Introduction** - Cellular telephones and other wireless communication devices have become common place and are often necessary for County staff to carry out the responsibilities of their positions in an effective and efficient manner. The cost of the business use of cell phones are subject to scrutiny by the Internal Revenue Service (IRS) and auditors who look for assurance that the costs incurred for cell phone use are only for official business. To support that calls are only for business use, the IRS requires that all calls be specifically and properly identified as to their purpose; business or personal. This requirement significantly increases the record keeping responsibility and has caused the County to look at a second option for covering the cost of cell phone use. This policy provides guidance on the options departments have in providing cell phone service and the responsibilities that cell phone users have regarding the appropriate use and record keeping of cell phone calls.

2. **Cell Phone Authorization Criteria:**
Department Directors will authorize the use of a County cell phone or approval of a cell phone allowance based on an employee meeting one or more of the following criteria:
 - a. Works a significant amount of time (more than 50%) away from an office environment.
 - b. Supervises / oversees personnel in the field, away from a central office area.
 - c. Needs to travel frequently between County facilities.
 - d. The employee spends 35% or more of their time traveling to customer locations.
 - e. Deemed "Critical" personnel if a County emergency is declared.
 - f. Is assigned an after-hours customer service function. Needs to be on-call, taking customer (citizen or employee) calls after normal working hours.
 - g. Travels frequently outside of the County to conduct County business.

3. **Summary of Cell Phone Options** - Departments have the following options of how they provide for the business use of cell phones and other wireless communication devices:
- a. **Option 1 - Monetary Allowances for Employee-owned Devices** - Provide staff that require cell phones and/or other wireless communication devices with a taxable allowance for the acquisition of the device and the monthly service charges. **This option eliminates the need for the detailed record keeping required by the IRS for cell phone use.** It also eliminates the costly processing of reimbursements when a County provided phone is used for personal calls as well as the potential for IRS fines, penalties, and interest for inadequate recordkeeping. These allowances will be provided as taxable income to staff, but will not be considered part of the employees' base salary or be considered for calculation of retirement benefits.
 - b. **Option 2 – County Provided Cell Phones** - Provide County owned cell phones to staff that have a demonstrated and documented need for such equipment and service. Departments must maintain documentation of the justification for the staff's need for the device as well as require a detailed record of all calls made and received (both business and personal). Calls should only be made or received for official County business except in the case of emergencies or special situations, which should be infrequent. Staff should reimburse the County for all personal calls made at the rate of \$.06 per minute, plus any applicable long distance or roaming charges, up to the amount of the total monthly bill.
4. **Option 1 - Monetary Allowances for Employee-owned Cell Phones** - The Allowance Request (see Attachment A) is required to be completed and maintained in the department as documentation for audit purposes.
- a. **Types and Determination of Allowances** - A department may elect to monetarily provide for the staff's purchase and operation of a cell phone when the staff's job duties, in the opinion of the department head, necessitate providing such a device. When paid allowances are provided, they will be provided in one or both of the following forms:
 - i. **Cell Phone Equipment Purchase Allowance** - Provides a periodic monetary payment towards the employee's personal acquisition of a communication device and payment of initial activation fees, upon proof of receipt. A cell phone equipment allowance may be paid no more often than once every two years. The appropriate allowance should be determined and documented by the department head, but should not be more than \$100 for a cell phone or \$200 for a Personal Digital Device (PDA) device. Any extraordinary circumstances that might require exception to these limits would need to be approved by the County Manager or his designee.
 - ii. **Biweekly Communication Service Plan Allowance** - Provides a biweekly allowance for the operation of a cell phone. To arrive at the biweekly amount, analyze the monthly sum of County usage to compile an annual total, and then divide it by 26 (number of pay periods per year). The supplement is provided to the employee for as long as the employee's department head determines that he or she qualifies under this policy. Because the use and needs can vary significantly by the cell phone user, the appropriate allowance should be determined and documented by the department head, but should not be more than \$100 per month. Any extraordinary circumstances that might require

exceptions to this limit would need to be approved by the County Manager or his designee.

iii.

Example:

\$40 Monthly service allowance
x 12 Months
\$480 Annual total
÷ 26 Divided by pay periods
\$18.46 Per pay period

iv. **Determination of Appropriate Allowance Amounts** - It is the intent of this policy to provide department heads with the latitude necessary to provide fair allowances to staff while maintaining proper budget control. It is not expected that the amount of the allowance will always cover the total cost of the equipment or service plan, since it is expected that the device will be used for personal use as well as business use. Employees are expected to contract with cell phone carriers that offer discounted rates to government employees in order to minimize cost to the County for business usage. The department cell phone designee will have information on available discounted plans.

Department heads should document how they arrived at the amount of the allowances and factor in an additional 20% to cover the average cost of added payroll taxes that the employee will have to pay on the allowances.

Departments providing staff with cell phone allowances should ensure that staff is familiar with the requirements of the Cellular Telephone Policy and that appropriate documentation of how the allowance was determined is maintained by the department for audit purposes.

b. **Ownership** - A cell phone device acquired by the Allowance method is considered to be the personal property of the employee and accordingly may be used in any way the employee deems appropriate. Any service contract entered into by the staff member related to the acquisition and operation of a communication device acquired by this method is personal to the staff member. Alachua County will have no obligation or make any guarantees with respect to such contracts.

5. Option 2 – County Provided Cell Phones –

- a. **Use of Cell Phones** - County provided cell phones should be used primarily for official business purposes. However, it is recognized that occasions may occur where personal calls may be unavoidable. On such occasions, personal use should be limited in duration and infrequent. To ensure the appropriate use of County provided cell phones, the staff should follow the procedures outlined in this policy. When County owned equipment is provided to staff it remains the property of the County and should be returned to the department head or designee whenever the equipment is no longer needed or if the staff member terminates employment with the County.
- b. **Justification for Cell Phones** - When departments make requests for cell phones, departments should review their cellular telephone contracts relative to their choice of billing plans considering:

- i. The demonstrated need for the cell phone for each specific user;
 - ii. The most economical billing plan for each specific user, and
 - iii. That consistent personal use should not be used as a reason to force the use of higher value services.
 - c. **Review and Approval of Cell Phone Statements** - Cell phone statements showing a detail of cell phone usage are expected to be reconciled by the cell phone user and sent to the appropriate department cell phone billing designee within 30 days of receipt. The department shall review the bills as follows:
 - i. The department cell phone designee shall distribute the applicable portion of the statement, showing the detail of calls made to and from each cell phone user. The cell phone user shall indicate if the calls were business or personal (including detailed explanations as may be required by the department).
 - ii. Once the employee has reconciled his/her cell phone log to the monthly statement it should be sent to the departmental billing designee for review. The Department designee shall review and approve the designation and collect any payments for charges resulting from incidental personal use.
 - iii. The Cell Phone Statement of Use (see Attachment B) must be signed and submitted to the Department designee with the employee's cell phone invoice.
 - d. **Reimbursement for Personal Calls** - Staff must submit a check payable to Alachua County BoCC for the total amount of reimbursable personal use and provide the reimbursement to the department's cell phone designee to be handled in accordance with County's cash handling policies and procedures. Cell phone calls will be reimbursable at the rate of \$.06 per minute, plus any applicable long distance or roaming charges, up to the total amount of the monthly bill.
6. **Departmental Responsibility** - The department is responsible for the following:
- a. Determining whether the staff's position requires a cell phone based upon his or her job responsibilities and maintaining appropriate documentation to support this in the departmental files.
 - b. Determining which of the allowed acquisition methods is most appropriate to a staff member requiring a cell phone.
 - c. If a cell phone allowance is granted to the staff member, to ensure that documentation supporting how the allowance was arrived at is maintained in the departmental files.
 - d. If a cell phone allowance is granted to the staff member, processing the allowance through the payroll system.
 - e. If a County owned cell phone is provided, to ensure that appropriate detail documentation is maintained to support the business and personal use of all calls and in the event that personal calls are made, that appropriate reimbursement is obtained.
 - f. Alachua County provided equipment remains the property of the County and must be turned into the department head or designee when the equipment or cell phone service is no longer needed or if the staff member terminates employment with the County.
7. **Cell Phone User Responsibility** – County cell phone users are responsible for the following.
- a. When salary allowances for cell phone use is granted to staff, the Allowance Request form must be completed in order to document the expected business need and the amount of the allowance. The staff member should also notify their

- department head when there has been a significant change in the need for the business use of a cell phone allowance.
- b. When allowances are granted, paying all amounts due as agreed between the cell phone user and the cell phone service provider.
 - c. For County owned devices, ensuring that the device is used for County business only. The County recognizes that incidental use not initiated by the employee is possible but under any circumstances, it should be both infrequent and non-routine. The County also recognizes that there may be emergency or extenuating circumstances under which the phone is needed for personal use. Those occasions also must be infrequent and non-routine. Reimbursement for incidental personal use should be made when appropriate.
 - d. Ensuring the physical protection of County owned cell phones from damage or unauthorized use.
 - e. Ensuring that County owned cell phones are returned to the County when it is no longer needed or when the staff member terminates employment with the department.
 - f. Providing the County department designee with the current contact phone number or address of the cell phone within five working days of activation.
 - g. Notifying the department head immediately of inactivation of the device. An employee is prohibited from continuing to collect a monthly cell phone plan allowance when the device is no longer active or needed for the performance of the employee's job responsibilities.
 - h. For County owned devices, use for commercial "for profit" activities is prohibited.
 - i. For County owned devices, political use pursuant to current IRS rulings is prohibited.
8. **Effective Date** - This policy is effective upon approval of the County Manager and the Allowance option is effective upon approval of the Board of County Commissioners. Department heads may wait to establish allowances until the expiration of existing contracts if they choose. Appropriate documentation and record keeping procedures should be put in place immediately if the allowance method is not used.

Approved by _____
County Manager

Date _____

**Alachua County
Cell Phone / Blackberry
Allowance Request Form**

Attachment A

Select the option that applies: New Update Termination

Today's Date: _____
Employee's Name: _____
Department: _____
Payroll Dist. Account: _____

Dept. Contact: _____
Contact Phone#: _____
Contact Email: _____

Device Type: Choose one and mark an "X" in the appropriate box.

Cell Phone/Blackberry *biweekly Allowance: _____ *Purchase Allowance: _____
Initiate Date: _____ End Date: _____

*This allowance is taxable income that is not part of the employee's salary. The appropriate allowance should be determined and documented by the department head, but should not be more than \$100.00 per month. The purchase allowance limit for each device is \$100.00 for cell phones and \$200.00 for other wireless communication devices. These purchases are limited to once every two years.

Allowance Justification (Explain):

Certification and Signature:

I certify that I have read and understand the Alachua County Cell Phone Policy. I also certify that the amount of allowance being requested is appropriate for the level of usage for County business.

Signature of Employee

Date

I certify that I have read and understand the Alachua County Cell Phone Policy. I further certify that use of an employee's personal cell phone or PDA is a requirement to fulfill this employee's job duties. I affirm that the allowance requested is appropriate for the level of usage for County business.

Signature of Department Head or County Manager

Date

Printed Name of Department Head or County Manager

(Retain this completed form in the department, along with any other necessary documentation to support the justification of amount and approvals for audit purposes. A copy of this form must be submitted to Finance and Accounting for payroll purposes.)

Alachua County, Florida Cell Phone Statement of Use

I _____ (print your name), an employee of Alachua County Board of County Commissioners, hereby claim that I have used a County owned cell phone for the period of _____ (print month and year of invoice), and that the phone was used:

(Please check one)

() Solely for the purpose of conducting County business. I claim that there was no personal use of this cell phone during the period stated above.

() Primarily for the purpose of conducting County business. I claim that there was limited personal use of this cell phone during the period stated above as allowed by the County's Cellular Telephone Administrative Policy. Personal calls are highlighted on the attached invoice. I have attached a check to cover the cost of these personal calls at the rate stated in the policy so that there will be no taxable benefit reported on my W-2 statement at the end of the calendar year.

This statement must be attached to the appropriate invoice each month and signed by the County employee who is assigned use of the County owned cell phone. By signing this Statement of Use and attaching it to the associated invoice, you are acknowledging that you have or have not used the phone for personal use, and you understand the appropriate IRS implications for personal use of the County cell phone. Failure to reimburse the County for personal calls will result in a taxable benefit reported on your W-2 for the calendar year.

Signed by: _____

Date: _____